

MELBOURNE UNIVERSITY SPORT BOARD

MEETING 3/2012 – 19 July 2012

The minutes of meeting 3/2012 of the Melbourne University Sport Board held on Thursday, 19 July 2012 at 6.00pm in Conference Room 2, Old Physics.

PRESENT:

Mr Geoff Rees (Chair)
Professor Mark Hargreaves
Mr Mitch Anderson
Professor Margaret Abernethy
Dr Lynne Williams
Ms Marieke Guehrer

IN ATTENDANCE:

Mr Tim Lee (Director)
Mr Jean-Luc Garlick
Mrs Julie Caundle

APOLOGIES:

Mr James Sutherland
Professor Margaret Sheil (Provost)

1. WELCOME, APOLOGIES AND INTRODUCTION

1.1 Welcome

The Chair welcomed Board members to the meeting.

1.2 Apologies

The Chair accepted the apologies.

1.3 Minutes from previous meeting

The previous minutes were passed as a true and accurate record.

1.4 Confirmation of Circular Resolutions

There were no items to confirm.

1.5 Business Arising/Action Item Updates

The Director noted that the first action of the Action Sheet should read under Current Status – Agenda Item 2.2.

1.5.1 Sports and Clubs Committee (SACS) Update

Covered under agenda item 2.2.

1.5.2 Sport submission to VC's Annual Report

Dr Williams commented that the report format for the 2010 report was not aligned with the key elements of the Strategic Plan for Sport. The Director noted the comment and committed to ensure that future reports will follow the format recommended.

1.5.3 Board Membership

Deferred

1.5.4 Financial Statements

Sent out in Board update.

1.5.5 Sport Capital Improvement Plan

Covered under agenda item 3.1.

1.5.6 Student Services and Amenities Fee

Sent out in Board update.

2. MATTERS FOR DECISION

2.1 Financial Statements

The 2012 Finance Statements were presented for approval. Mr Garlick spoke to the report and noted that income was slightly down but was offset by a reduction in expenditure. As at the end of June there was a \$.5M surplus but that this would reduce by end of year.

Mr Garlick noted that the income for Lincoln Square Fitness Centre (LSF) was down due to the delay in opening and fewer members than budgeted. The Board then discussed the marketing that had taken place in relation to the centre opening, the number of members from MBS and other issues associated with raising awareness of the centre.

The Director highlighted that an extensive marketing campaign had taken place leading up to the opening and since then the results had been very positive. An updated LSF Business Plan would be presented for consideration by the Board at the next meeting.

Professor Abernethy noted the financial report format was very comprehensive and informative.

Mr Garlick spoke to the capital funds report. He noted that the Friends of the Sports Association Trust had an injection of \$501,244. The Chair asked if this trust account was part of the University Endowment Fund. Mr Garlick noted that Friends of the Sports Association Trust funds would not go into the Foundation.

Action: The updated LSF Business Plan to be provided at the October meeting.

Motion: The Board noted the June Finance Statement.

2.2 SACS Review

The Sport and Clubs Select (SACS) Committee was established by the Board in September 2011 to consider and advise on the following governance issues

- a) affiliation arrangements for sporting clubs and club members

- b) recognition by the University of sporting performance and service
- c) policies and procedures for sporting clubs

The SACS Committee had completed their deliberations and the final report prepared and distributed for consideration and approval by the Board. The draft report had been sent to sporting clubs for comment and the feedback considered by the SACS Committee as part of the deliberations.

A letter from the President of MUSA containing feedback on the draft report was tabled for discussion. The letter arrived after the final report had been completed and distributed to the Board but the Director had agreed, after a request from the MUSA President, to table the letter.

The Chair noted that the President and Vice President of MUSA had been members of the SACS Committee that had endorsed the final report. The issues raised by MUSA were wide ranging, including several issues not related to the SACS Committee deliberations, and whilst critical of the consultation process and content of the report MUSA did not appear to disagree with the key recommendations.

The Chair outlined that many of the unrelated issues had been raised previously by MUSA with the VC and the previous Provost and that in response the VC had corresponded with MUSA clearly outlining the role of the Board and the Director in regards to the governance and management for sport at the University.

Several members of the Board expressed disappointment at the tone and content of the letter. The Chair also felt that the continual approaches by MUSA to senior members of the University was counterproductive to the standing of sport at the University and was diverting significant time and energy away from clubs and broader role of the organisation. Professor Hargreaves stated that he felt any ambiguity for the responsibility for sport and sporting clubs at the University was resolved with the appointment of the Board in 2009 and that it was time to move forward.

The Board determined that the Director and the Provost resolve the outstanding issues regarding the ongoing role and responsibilities of MUSA, in line with the recent decisions of the University and the SACS Committee recommendations, without future reference back to the Board.

Resolution: That the Board accept the contents and endorse the recommendations of the Report and support the following actions:

1. *MU Sport with University Legal Services, develop the Sporting Club Service Agreement affiliating sporting clubs with the University.*
2. *The Director, in collaboration with the MUSA President, engage University Legal Services to review the MUSA constitution.*
3. *MU Sport, in conjunction with MUSA, develop a proposal to align Sports Blues and Awards with the conferring of University Academic Awards for review at the October Board Meeting.*

4. *MU Sport, in consultation with sporting clubs and University Legal Services, develop and adopt a membership process affiliating individual club members with the club, MU Sport and the University.*

Motion: The Board formerly moved the resolution.

2.3 Story Street funds transfer to Foundation

The Sport and Physical Recreation Committee (SPRC) owned a property at 74 Story Street, Parkville for the purpose of providing accommodation for the Curator. The SPRC requested in early 2000 that the University approve the sale of the property and that the proceeds of the sale be returned to the SPRC for the use of scholarships for high performance sport.

The funds from the sale of the property (current value: \$662,830) are currently being held in a University suspense account and the interest was used for distribution to High Performance Scholarship holders.

The University Senior Vice-Principal, Mr Ian Marshman recently stated in a letter to MUSA regarding the current and future use of these funds that the money could be transferred from the University Reserve to the Sport Foundation Trust to ensure a legacy for scholarships. If a chapter was created within the Sport Foundation for this purpose it would ensure that the income could only be spent on Sporting Scholarships with the additional benefit of oversight by the Board. The formation of a chapter requires the approval of the Board.

Resolution: That the Board approve the transfer of the capital and accumulated interest from the sale of Story Street into the Sports Foundation and that a Scholarship Chapter is established for this purpose.

Motion: The Board formerly moved the resolution.

2.4 Boat House lease with MCC

Mr Garlick spoke to the Boat House lease document noting the University had a current lease agreement with Melbourne City Council (MCC) until September 2014. The MCC had initiated discussions with the Boat Clubs in the rowing precinct with a view to renewing the lease for a further 21 years commencing 1 November 2014.

University Legal Services had been engaged by MU Sport to review the terms of the lease and have agreed to the current terms and conditions. The main item of note was the increase of non member social functions from 6 to 30 per year and the lease specifically restricted the University from subleasing to another contractor. The Boat Club has reviewed the lease. Melbourne University has been the signatory for the previous 2 leases. The Chair suggested looking at strategic uses of the Boat House as it showcases the University.

Resolution: That the Board agree to the proposed Lease.

Motion: The Board formerly moved the resolution.

3. MATTERS FOR DISCUSSION

3.1 Director's Report

The Director spoke to his report circulated in the papers.

3.1.1 Sport Capital Improvement (Master) Plan

At the previous meeting the Project Mandate was provided for information and Project Consultant Jim Corbett from SLS outlined the project methodology and tested a range of options for the Sport Precinct. It was proposed that a draft report would be ready for presentation to the July Board meeting however there had been significant delays in completing the consultation process, in particular accessing key decision makers in Property and Campus Services (PC&S). An updated project plan had been submitted by the consultant with completion by the October Board meeting.

3.1.2 Melbourne City Council Open Space Strategy

The City of Melbourne has prepared a draft *Open Space Strategy* to provide an overarching framework and strategic direction for open space planning for the next 15 years. The strategy would provide a basis for financial and land contributions from developers and government towards providing additional open space and making open space improvements.

As part of the preparation of the *Open Space Strategy* a consultation process had occurred including the development of the *Princes Park Master Plan*. As a key activity area for our clubs and the broader University community a submission was prepared and submitted. The Director met with the MCC Recreation Planning Manager to discuss the submission and would also liaise with the clubs when the draft Plan was released to determine future actions for inclusion in the *Sport Capital Improvement Plan*.

The Director noted that discussions had commenced with the MCC for 3 year, not annual leases, and that in return the University would invest in improvements to some of the facilities. The Director mentioned that Professor Gini Lee from the Faculty of Architecture is a member of the MCC Open Space Advisory Group that he would attempt to meet with her to discuss the submission from MU Sport.

3.1.3 Major Facility Audit and 5 year Maintenance Plan

The facility audit was recently completed by consultants Dennis Hunt and Associates identifying a range of significant issues and a back log of maintenance at a cost of \$2.3m over 5 years. Some immediate actions were required and have been taking place along with the development of a systematic maintenance tracking system. Operations Manager Alex Affleck would consider the plan further and provide a more detailed response to inform the annual budget process and for inclusion the *Sport Capital Improvement Plan*.

The Chair asked what facilities were attributed to MU Sport and what was attributed to the University. The Director noted that MU Sport managed the University owned facilities. The Chair requested a summary of facilities managed by MU Sport.

Action: To send out summary findings of report and list all facilities.

3.1.4 Boat House Function Space Review

The Director noted that the Boat House Function space commenced operating in May 2011 with the responsibilities for all Boat House external functions transferring from the Boat Club to MU Sport. The lease with Melbourne City Council for the Boat House contains specific restrictions on use of the facility by non members (6 functions per year) and prohibits sub-letting. On advice from the University's Legal Services Department it was determined to appoint preferred caterers (four) and that MU Sport would manage all bookings to ensure consistency with the terms of the lease.

The initial income target was \$75,000 for 2012 but it was apparent earlier this year that the target would not be achieved as the usage rates and financial returns in the later part of 2011 were not at the expected levels.

Sharyn May from the Maytrix Group was engaged to undertake a review of the operations and business performance of the Function Space. The report had been completed and identified poor marketing and a low conversion of inquires caused by a complex inquiry and booking process, and unwieldy cost structure and some deficiencies with the venue amenity.

The Director noted that Mr Garlick was now heading a Project Group to review and institute recommendations in the report and on an ongoing basis to ensure that the financial returns from the function space were maximized.

The Director noted that MU Sport charged a flat rate of \$1,700 for hire of the venue then the caterer charged for the function and Sports Clubs got one free function a year. The Chair noted that the Boat House was a very unique sporting facility which had won a design award for the Architects Lovell Chen and that it should not be treated just as a commercial opportunity but also as a unique function space for the senior executive to promote the University.

Action: The Boat House Function Space Review report be provided for the October meeting.

3.1.5 University Marketing Manager

The Director noted that the departure of the University's Marketing and Communications Manager Pat Freeland Small may have a detrimental impact on the ongoing support for the Boat Race and the Melbourne Rebels Sponsorship. The Director will monitor the situation,

3.1.6 Staff

The Director informed the Board that Mr Paul Sheahan will be employed directly by MU Sport for the next 12 months on a part time basis to continue to work with the clubs to develop alumni programs and improve

annual and longer term giving. Paul was previously employed by the Advancement Office.

5. MEETING FINALISATION

5.1 Review Action Items

The action items were not reviewed.

5.2 Meeting closed

The meeting closed at 8:00pm.

Signed by the Chair as a true and accurate record:

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Mr Geoff Rees

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Date